

New Legislation Would Work to Put Veterans to Work

The “Veterans Opportunity Tax Credit” Helps Businesses Hire Recent Combat Veterans



Dover – Standing with veterans and members of the Delaware National Guard, Governor Jack Markell and legislative leaders today announced a new effort to help put recent combat veterans to work when they return from service. The “Veterans Opportunity Tax Credit” would give companies a \$1,500 annual tax credit for each recent veteran they hired.

“In the last ten years, millions of Americans have served their nation in Iraq or Afghanistan – putting themselves directly in harm’s way, thousands of miles from home. But when they came home, so many found – and some still find – that the recession that had years of devastating effects on our national economy was hitting even harder veterans who served in those foreign,” Markell said. “That’s no way to thank someone for serving. This effort encourages employers to put our veterans to work here at home.”

Traditionally, veterans have an unemployment rate that’s below the national average, but that has not held true for veterans who have served since 2001. In fact, their unemployment rate nationally has actually been higher– averaging more than 12% in 2011. As recently as January 2011, the unemployment rate for recently returning veterans was a disturbing 15.2%. Efforts such as President Obama’s “Vow to Hire Heroes Act” has helped focus national attention on this issue, and are having an impact. However, the January 2012 national unemployment rate among recently returning veterans was 9.1%, still well above the national average of 8.3%.

Rep. Earl Jaques, the lead sponsor of the bill, chair of the House Veterans Affairs Committee and himself a 36-year veteran of the Delaware National Guard, said that encouraging businesses to help returning veterans will have a positive effect on both the companies and the veterans.

“One in six homeless people are veterans, and with all of our military members returning home, we don’t want those numbers to swell,” said Rep. Jaques, D-Glasgow. “Today’s veteran is not from your father’s military. They are technologically savvy and have operated in some of the worst conditions imaginable, so companies who hire them will get an outstanding employee. I hope that we are able to pass this bill quickly and put our returning veterans to work.”

The bill has bipartisan support in both chambers.

“I think it’s a good idea because it will give employers an incentive to give veterans a second look,” said Sen. George H. Bunting Jr., D-Bethany Beach, who is a decorated Marine veteran of the Vietnam War and is the lead Senate sponsor. “We know veterans have a lot of skills that employers value – they are disciplined, willing to work and take responsibility. This incentive might give an employer the nudge they need to help our returning veterans land on their feet with a good job.”

The Veterans Opportunity Tax credit would allow any business can take a tax credit of 10% of the gross wages paid to qualified veterans, with a cap of \$1,500. The cap would continue for 3 tax years, so the total benefit to the employer could be \$4,500 per veteran hired. The credit could be taken by any private sector business, and can be credited against personal income taxes, corporate income taxes, bank franchise taxes and insurance premium taxes. Because the tax credit is refundable, businesses without tax liabilities can use the tax credits immediately.

Because the Veterans’ Opportunity Tax Credit is more

significant than some other job creation programs launched during the Markell administration, businesses would not be able to double-count a qualifying veteran as a new hire under the New Economy Jobs Program tax credit, or tax credits for qualified investment in business facilities and targeted areas.

The credit focused on helping combat veterans, would be available only for hiring a veteran who has served recently in a hostile theatre, as evidenced by receipt of an Afghanistan Campaign Medal, Iraq Campaign Medal, or Global War on Terrorism Expeditionary Medal (which covers the Middle East, portions of Africa, and many other countries). Those medals are available to service members who served 30 continuous days (or 60 days if non-continuous) in the relevant theatre. The time requirement is waived for service members who took part in combat or were wounded in the line of duty while in theatre.